Waiving of excise duty on Naphtha

68. SHRI GAYA SINGH:
SHRI V.V. RAGHAVAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government has waived excise duty on Naphtha used as feed stock by seven power plants;

(b) if so, the names of these plants and the reduction likely to be effected by the power plants on its tariffs;

(c) whether it is a fact that the excise exemption is not extended to the NTPC's Kayamkulam Power Project in Kerala; and

(d) if so, the details and reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The names of the seven power plants are as follows:—

1. 120 MW Combined Cycle Gas Turbine Power Plant at Basin Bridge, Chennai of Tamil Nadu Electricity Board;
2. 20 MW Power Plant of M/s Nagarjuna Electric Generating Company at Patancheru, Medak District, Andhra Pradesh;
3. 515 MW Combined Cycle Power Plant at Hazira, Gujarat of M/s Essar Power Limited;
4. 167 MW Combined Cycle Power Plant at Vadodara of M/s. Gujarat Industries Power Corporation Limited;
5. 48 MW Combined Cycle Power Plant at Sancoale village, Mormugao District, Goa of M/s Reliance Salgaoncar Company Limited;
6. 220 MW Barge Mounted Power Plant at Mangalore of M/s. Tanir Bavi Power Company Private Limited, Bangalore;
7. 165 MW Combined Cycle Power Plant at Eloor, District Ernakulam, Kerala of M/s BSES Kerala Power Limited.

It is expected that it will result in reduction of cost of generation of electricity by 10-16 paise per unit.

(c) Yes, Sir.

(d) At the relevant time a decision was taken to give the exemption only to the plants mentioned in the reply to part (b) above.

Abolition of subsidies

69. SHRIMATI SAROJ DUBEY: Will the Minister of FINANCE be pleased to state:

(a) whether any decision has been taken to do away with the various subsidies and administered price mechanism in the country; and

(b) if so, the details of each item where subsidy is proposed to be abolished during the current financial year 2002-2003?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) There is no proposal as such for withdrawal of subsidies but it is Government's constant endeavour to better target the subsidies to the beneficiaries and improve the cost effectiveness of expenditure on subsidies. The Cabinet in its meeting on 20th November, 1997 approved the phased programme for dismantling of Administered Price Mechanism (APM) and rationalisation of duty structure for petroleum products. In accordance with this decision, phased dismantling of APM for petroleum products commenced on 1st April, 1998.